11 August 2026

Bellway

Trading update

Bellway p.l.c. is today issuing a trading update for the year ended 31 July 2026.

Jason Honeyman, Chief Executive, commented:

"Bellway has delivered a robust performance and growth in volume output, despite ongoing headwinds for our industry. Our sharp focus on operational improvement and drive for capital efficiency has provided resilience and supported a strong increase in cash generation and shareholder returns.

The Board remains confident that, with supportive market conditions, Bellway is in a strong position to capitalise on future growth opportunities. However, with the near-term outlook remaining uncertain, we call on the Government to act now to improve access to housing across all tenures, both by helping first-time buyers onto the property ladder and supporting the delivery of affordable and social housing for those who need it most.

In order to ease affordability constraints and stimulate demand, an immediate reduction in Stamp Duty alongside a Government-backed deposit support scheme for first-time buyers would both drive economic growth and accelerate the delivery of much-needed new homes across the country."

Highlights

- Growth in total housing completions of 10.8% to 9,695 homes (2025 – 8,749) and underlying operating profit is expected to be around £320m[1] (2025 – £303.5m).
- The private reservation rate per outlet per week, including bulk sales, was 0.55 (2025 – 0.57). The private reservation rate excluding bulk sales was 0.49 (2025 – 0.52).
- We have continued with a disciplined approach to land acquisition and contracted to purchase 8,578 owned and controlled plots during the year (2025 – 8,120 plots).
- Bellway has a strong balance sheet with year-end net cash of £157.7m[2] (2025 – £41.8m) and adjusted gearing, including land creditors, remains low at under 5%[3] (2025 – 8.3%).
- Our drive for greater cash generation and capital efficiency has delivered an improvement in asset turn and a significant increase in adjusted operating cashflow to over £850m[4] (2025 – £638.9m).
- The £150m share buyback announced in October 2025 is progressing well and is expected to complete this month. Once complete, we will launch a further £50m buyback which will represent the initial tranche of the Group's anticipated shareholder returns for FY27.

Results and trading

The Group entered FY26 with a strong forward order book and, despite subdued trading throughout most of the year, delivered a robust performance with 10.8% growth in total housing completions to 9,695 homes (2025 – 8,749). This was in excess of our previously guided range of 9,300 – 9,500 homes, with the outperformance primarily driven by a strong conversion from our bulk sales pipeline.

The proportion of private completions was 79% of the total (2025 – 79%), and the overall average selling price rose to around £324,000 (2025 – £316,412). The increase in the average selling price was driven by geographic and mix changes, with no underlying house price inflation. Incentive usage averaged around 5% (2025 – 4.1%).

Housing revenue increased by over 13% to £3.14bn (2025 – £2,768.3m) and we expect to report an adjusted operating profit of around £320m[1] (2025 – £303.5m). Due to the increased proportion of lower margin bulk sales in the year, the adjusted operating margin is expected to be around 10%[5] (2025 – 10.9%).

Similar to the prior financial year, customer demand throughout the autumn was impacted by uncertainty ahead of the Government's Budget. While we saw an improvement in trading in the early part of the spring selling season, there has been a moderation in customer demand since April in response to the rise in mortgage rates.

The Group opened 59 new outlets and traded from an average of 238 outlets during the year (2025 – 246), in line with our expectations, with a closing position of 253 outlets at 31 July 2026 (2025 – 249).

The private reservation rate decreased by 5.8% to an average of 131 per week (2025 – 139). In line with our strategy, bulk sales made a good contribution during the year, with the private reservation rate per outlet per week at 0.55 (2025 – 0.57). The private reservation rate excluding bulk sales was 0.49 (2025 – 0.52). The overall reservation rate, including social homes, was 3.5% lower at 165 per week (2025 – 171) and the cancellation rate remained low at 12% (2025 – 13%).

Driven by the strong increase in volume output and lower reservation rates during the year, the forward order book reduced to 4,206 homes at 31 July 2026 (2025 – 5,307 homes) with a value of £1,197.2m[6] (2025 – £1,519.4m).

Land investment

Land investment has remained controlled and highly selective, and we are prioritising opportunities in locations supported by relatively resilient underlying customer demand. Underpinned by the strength and depth of our existing land bank, the Group has contracted to purchase 8,578 owned and controlled plots during the year (2025 – 8,120 plots) across 35 sites (2025 – 51 sites) with a total contract value of £505m (2025 – £567m). As previously announced, this included a large site comprising around 1,900 plots converted from our strategic land bank in the Dunfermline Strategic Development Area, which will act as an anchor site to support growth for our two Scotland divisions.

In addition, our strategic land bank has been further strengthened to support our longer-term growth ambitions, with the Group entering into option agreements to buy 24 sites (2025 – 30 sites). Our strategic land bank comprises around 48,000 plots, over half of which have a positive planning status, and we remain focused on delivering a growing proportion of our volume output from strategically sourced land, with a target of over 20% in the medium term.

Capital allocation and financial position

Our capital allocation framework is based on maintaining balance sheet strength with low gearing, while driving capital efficiencies to increase cash generation. It is underpinned by a flexible approach to deliver value creation for shareholders through optimising the balance between investment in growth and returns to shareholders.

The strong volume output in FY26 has enhanced the Group's asset turn and driven a significant increase in adjusted operating cashflow to over £850m[4] (2025 – £638.9m), which is above our previously guided range of £750m – £800m.

During the year, expenditure on land, including payment of land creditors, was £496m (2025 – £472m), dividend payments totalled £84m and the Group has almost completed the £150m share buyback announced in October 2025. The Board continues to expect underlying dividend cover for FY26 to be around 2.5 times[7].

Bellway has a well-capitalised balance sheet with modest average net debt during the year of £96m (2025 – £49.2m). We ended FY26 with net cash of £157.7m[2] (2025 – £41.8m), and a low level of adjusted gearing of less than 5%[3] (2025 – 8.3%).

Looking ahead to FY27, we will continue with controlled land investment to remain well-positioned for future growth. Reflecting our strong financial position and confidence in future cash generation, we will also launch a new £50m share buyback programme which will represent the initial tranche of the Group's anticipated shareholder returns for FY27. This will follow the expected completion of the current £150m share buyback later this month.

The total level of FY27 shareholder returns will be announced with the Group's Full Year Results in October, following the Board's review of capital allocation priorities and prevailing market conditions.

Outlook

Our industry continues to face challenging headwinds, increasing the risk of a more prolonged period of softer customer demand alongside renewed inflationary pressure on build costs. In response, we are continuing to exercise tight control over our cost base while maintaining a sharp focus on the monetisation of our well-invested land bank and work-in-progress position to support improvements in asset turn and cash generation.

This continued emphasis on self-help and capital efficiency will help mitigate these external pressures and underpin our strategy to deliver enhanced shareholder returns over the medium term.

The Group's Full Year Results announcement is scheduled for 13 October 2026, when we will also provide guidance for FY27.

Notes and definitions

- All figures relating to completions, order book, reservations, cancellations and average selling price exclude the Group's share of its joint ventures unless otherwise stated.
- Comparatives are for the year ended 31 July 2025 or as at 31 July 2025 ('2025') unless otherwise stated.

1 Underlying operating profit is operating profit before net legacy building safety expense and other exceptional items.
2 Net cash/(debt) is cash plus cash equivalents, less debt financing.
3 Adjusted gearing is the total of net cash/(debt) and land creditors divided by total equity.
4 Adjusted operating cashflow is calculated as the net change in cash and cash equivalents, adding back cashflows relating to land spend, the utilisation of the legacy building safety provision and shareholder returns.
5 Adjusted operating margin is underlying operating profit[1] divided by total revenue.
6 Forward order book is the total expected sales value of reservations that have not legally completed.
7 Underlying dividend cover is underlying profit for the year per ordinary share divided by the dividend per ordinary share relating to that period.

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Note on forward-looking statements